

# OTHER DISCLOSURES

## 1. Utilisation of Proceeds from Corporate Proposals

The status of the utilisation of proceeds pursuant to the rights issue exercise of the Company which was completed on 22 July 2015 are as follow:

Details of Utilisation	Proceeds Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000
Repayment of bank borrowing	140,000	133,695	6,305
Expansion of factory	106,963	8,327	98,636
Estimated expenses	4,100	4,100	-
Total	251,063	146,122	104,941

## 2. Audit and Non-Audit Fees for Services Rendered to the Listed Issuer or its Subsidiaries for the Financial Year

During the year ended 31 December 2016, the following amount have been paid or are payable to the auditors for services rendered to the Company and Group:

	Audit Work (RM'000)	Non-Audit Work (RM'000)
Company level	30	17
Group level	197	17

## 3. Material Contracts Involving Interest of Directors, Chief Executive Officers Who is Not a Director or Major Shareholder

Save for the following, there were no material contracts entered into by the CCMD Group during the two (2) years preceding the date of this Annual Report, other than contracts entered into in the ordinary course of business:

- (i) Supplementary letter entered into between the Company and CCM Investments Ltd. on 25 May 2015 in relation to the acquisition of the entire equity interest in CCM International (Philippines), Inc. ("CCM Philippines") by CCM Duopharma Biotech Berhad from CCM Investments Ltd, a wholly-owned subsidiary of CCM Berhad ("CCM Investments") for a purchase consideration of RM1,000 to be settled via cash ("Philippines Company SSA") dated 27 November 2014.
- (ii) Underwriting agreement entered into between the Company and RHB Investment Bank Berhad on 5 June 2015 to underwrite 37,146,608 Rights Shares representing approximately 26.63% of the total Rights Shares, for which no undertaking has been obtained from shareholders of the Company, in relation to the Rights Issue Exercise.
- (iii) Facility Agreement for Commodity Murabahah Term Financing of up to RM245,123,000.00 ("Facility") entered into between the Company and RHB Islamic Bank Berhad ("Bank") on 26 June 2015.

## OTHER DISCLOSURES (CONT'D)

#### 4. Revaluation Policy

The Company adopted a policy to revalue its landed properties every five years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying amount.

#### 5. Material Litigation, Claims or Arbitration

As at 31 December 2016, neither CCMD nor its subsidiaries, is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant or otherwise, and the Board does not have any knowledge of any proceedings, pending or threatened against CCMD and/or its subsidiary, or of any fact likely to give rise to any such proceedings, which might materially and adversely affect the financial position or business of CCMD and/or its subsidiary.

#### 6. Recurrent Related Party Transaction of Revenue or Trading Nature

During the Annual General Meeting held on 25 May 2016, the Company obtained a shareholders' mandate to allow the Company to enter into recurrent related party transactions of revenue or trading nature which are necessary for its day to day operations and are in the ordinary course of business with related parties. The said general mandate took effect from 25 May 2016 until the conclusion of the forthcoming Annual General Meeting of the Company. The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2016 is set out on pages 162 to 163.

The Company intends to seek a renewal of the said general mandate and a proposed extension of the scope of the shareholders mandate to apply to recurrent related party transactions of a revenue or trading nature with new related parties at the forthcoming Annual General Meeting of the Company. The details of the new mandate to be sought are furnished in the Circular to Shareholders dated 27 April 2017.